

## Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 IO-13 SSO-00 NSCE-00 INRE-00  
USIE-00 SP-02 AID-05 EB-08 TRSE-00 SS-15 STR-04  
OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07  
NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-01  
PRS-01 PA-01 DODE-00 AGRE-00 PM-05 DHA-02 /109 W  
-----101827 191654Z /46

O 191445Z AUG 77

FM AMEMBASSY PORT OF SPAIN  
TO SECSTATE WASHDC IMMEDIATE 1140  
INFO AMEMBASSY GEORGETOWN  
AMEMBASSY PARAMARIBO  
AMEMBASSY BRIDGETOWN  
AMEMBASSY KINGSTON  
AMEMBASSY CARACAS  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY THE HAGUE  
USMISSION USUN

LIMITED OFFICIAL USE SECTION 1 OF 3 PORT OF SPAIN 2420

E.O. 11652: N/A  
TAGS: PSDC, EAID, TD  
SUBJECT: TRINIDAD/TOBAGO'S PROPOSAL FOR CARIBBEAN AID  
CONSORTIUM

1. FOLLOWING IS TEXT OF A LETTER OF AUGUST 18, 1977 FROM  
PM WILLIAMS TO SECRETARY VANCE WITH ATTACHMENT ENTITLED  
"PROPOSED CARIBBEAN AID CONSORTIUM." WE UNDERSTAND AMB.  
MCINTYRE HAS BEEN INSTRUCTED BY GOTT TO DELIVER ORIGINAL  
OF THIS CORRESPONDENCE TO THE DEPARTMENT.

BEGIN TEXT

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SECRETARY OF STATE CYRUS VANCE, STATE DEPARTMENT,  
WASHINGTON, D.C.

DEAR SECRETARY OF STATE,  
I SEND YOU OFFICIALLY A TRINIDAD AND TOBAGO PROPOSAL  
FOR CARIBBEAN AID CONSORTIUM WHICH HAS JUST BEEN APPROVED  
BY OUR CABINET.

2. YOU WILL RECALL THAT THIS MATTER WAS DISCUSSED INFORMALLY WITH YOU WHEN YOU WERE HERE, IN RESPECT OF JAMAICA. FURTHER PRIVATE TALKS ON THIS MATTER OUTSIDE THE OFFICIAL BILATERAL DISCUSSIONS WERE HELD WITH H. ARELLANO, LEADER OF YOUR DELEGATION, AND THEN WE HAD THE OPPORTUNITY FOR A LONGER DISCUSSION WITH AMBASSADOR YOUNG.

3. OUR FORMAL PROPOSAL WAS DISCUSSED INFORMALLY BUT AT LENGTH YESTERDAY BY THE GOVERNOR OF OUR CENTRAL BANK WITH THE MANAGING DIRECTOR OF THE IMF AND SENIOR OFFICIALS OF THE WESTERN HEMISPHERE DEPARTMENT.

4. I TAKE THIS OPPORTUNITY OF BRING CERTAIN ASPECTS OF OUR CONSORTIUM PROPOSAL TO YOUR ATTENTION:

(I) IT TAKES INTO ACCOUNT AMBASSADOR YOUNG'S INSISTENCE THAT TRINIDAD AND TOBAGO SHOULD TAKE "FINANCIAL AND IDEOLOGICAL LEADERSHIP" IN THIS MATTER, BUT SEEKS TO SHARE THIS RESPONSIBILITY WITH THE UNITED STATES.

(II) IT REJECTS ANY SUGGESTION, SUCH AS WAS MENTIONED TO US BY AMBASSADOR YOUNG AND SUCH AS HAS BEEN COMMUNICATED TO ME OFFICIALLY BY MR. MANLEY IN RESPECT OF THE DISCUSSIONS BETWEEN THE PRESIDENTS LIMITED OFFICIAL USE

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OF THE UNITED STATES AND VENEZUELA. THE PROPOSITION APPARENTLY AGREED TO BY THE TWO PRESIDENTS RELATES TO WHAT SO MANY PEOPLE - INCLUDING YOURSELF AND MANLEY - REFER TO AS THE "CARIBBEAN BASIN". TRINIDAD AND TOBAGO HAS RESOLUTELY OPPOSED ANY SUCH CONCEPTION AS A SUBORINATION TO LATIN AMERICAN "POLITICS" AND A POSSIBLE REVIVAL OF THAT RECOLONIZATION WHICH HAS DOMINATED LATIN AMERICAN THINKING EVER SINCE THE MEETING OF FOREIGN MINISTERS OF THE HEMISPHERE AT THE TIME OF THE SECOND WORLD WAR FOR THE ELIMINATION OF EUROPEAN COLONIES IN THE WESTERN HEMISPHERE. IT IS FOR THIS REASON THAT WE CONSCIOUSLY REJECTED ANY INVOLVEMENT IN THIS MATTER OF THE INTER AMERICAN DEVELOPMENT BANK WHICH WOULD IMMEDIATELY RAISE QUESTIONS RELATING TO GUYANA AND BELIZE. MEMBERS OF OUR CABINET DISLIKE INTENSELY THE POSITIVE STATEMENT IN MANLEY'S LETTER TO ME THAT VENEZUELA SEEKS TO PUT JAMAICA AND TRINIDAD AND TOBAGO "MORE FULLY IN THE PICTURE".

(III) IT REJECTS THE CONTENTION OF AMBASSADOR YOUNG THAT ANY COLLECTIVE CONSORTIUM GUARANTEE FOR TRINIDAD AND TOBAGO'S CONTRIBUTIONS SHOULD RELATE ONLY TO SUCH CONTRIBUTIONS AS HAVE BEEN MADE SINCE THE INAUGURATION OF THE "CARTER ADMINISTRATION" IN JANUARY 1977.

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OMB-01 CEA-01 COME-00 L-03 H-01 PRS-01 PA-01  
AGRE-00 PM-05 DODE-00 DHA-02 /089 W  
-----102126 191653Z /46

O 191445Z AUG 77

FM AMEMBASSY PORT OF SPAIN  
TO SECSTATE WASHDC IMMEDIATE 1141  
INFO AMEMBASSY GEORGETOWN  
AMEMBASSY PARAMARIBO  
AMEMBASSY BRIDGETOWN  
AMEMBASSY KINGSTON  
AMEMBASSY CARACAS  
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(IV) IT TAKES INTO ACCOUNT, AS I WAS MOST CAREFUL TO EXPLAIN TO AMBASSADOR YOUNG, THE HISTORICAL EXPERIENCE IN RESPECT OF HUMAN RIGHTS BY THE CONSTITUTIONAL PROHIBITION IN SOME OF THE COUNTRIES ADVERTED TO AS POSSIBLE DONORS AGAINST THE IMMIGRATION OF NON-WHITES AND THE STATELESSNESS OF FORMER BLACK IMMIGRANT WORKERS.

(V) IT REFUSES TO ACCEPT ANY PROPOSAL FOR TRADE EXCHANGES IN THE WIDER SOUTH AMERICAN CONTEXT ADVOCATED, IN RESPONSE TO WHATEVER SYSTEM OF "REWARDS" OR "DEBT PAYMENT" INVOLVED, PARTICULARLY IN THE CONTEXT OF THE CURRENT DISCRIMINATION

AGAINST TRINIDAD AND TOBAGO'S PRODUCTS - ECONOMIC  
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APARTHEID AS I DESCRIBED IT TO AMBASSADOR YOUNG.

5. OUR CABINET IS HEARTENED BY MR. WITTEVEEN'S RECEPTION  
OF OUR PROPOSAL AS "CONSTRUCTIVE AND IMAGINATIVE" AND HIS  
SATISFACTION WITH "THE SPIRIT OF COOPERATION IN THE  
INTEREST OF THE REGION" SHOWN BY TRINIDAD AND TOBAGO.

6. I AWAIT YOUR COMMENTS ON OUR DOCUMENT WHICH I AM  
COPYING WITH THIS LETTER TO (1) AMBASSADOR YOUNG, (2) PRIME  
MINISTER MANLEY. I AM ALSO SENDING COPIES OF OUR PROPOSAL  
FORMALLY TO THE MANAGING DIRECTOR OF THE FUND TO THE SECRETARY-  
GENERAL OF THE UNITED NATIONS.

7. THIS IS BEING SENT URGENTLY BY TELEX THROUGH YOUR  
AMBASSADOR HERE IN PORT OF SPAIN BUT THE SIGNED COPY  
WILL BE PRESENTED TO THE STATE DEPARTMENT BY AMBASSADOR  
MCINTYRE.

YOURS SINCERELY, ERIC WILLIAMS, AUGUST 18, 1977. END TEXT

BEGIN TEXT OF ATTACHMENT

PROPOSED CARIBBEAN AID CONSORTIUM

1. BENEFICIARIES

THE COUNTRIES UNCLUDED IN:

- (A) CARICOM
- (B) THE CARIBBEAN COMMITTEE OF ECLA

2. DONORS

- (A) TO BE AGREED BY USA AND TT
- (B) TO INCLUDE THE METROPOLITAN COUNTRIES  
ASSOCIATED WITH THE CARIBBEAN - USA, UK,

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- FRANCE, NETHERLANDS
- (C) ANY CONTRIBUTOR TO CDB TO BE ELIGIBLE

3. USES OF THE FUND

- (A) TO CONFORM WITH BASIC UN OBJECTIVES FOR  
DEVELOPING COUNTRIES:
  - (I) BASIC NEEDS STRATEGY
    - (1) FOOD - GREATER PRODUCTION -

FOODCROPS AND FISH INCREASED USE  
OF FERTILIZERS  
DEVELOPMENT OF LIVESTOCK POTENTIAL -  
EG. MEAT

(2) SHELTER - EMPHASIS ON HOUSING  
DEVELOPMENT OF TIMBER POTENTIAL

(II) NEW INTERNATIONAL ECONOMIC ORDER

(1) EMPHASIS ON FOOD PROCESSING -  
FRUITS AND VEGETABLES

(2) INDUSTRIAL DEVELOPMENT RELATED TO  
(1) AND (2) ABOVE TIMBER - FOR  
FURNITURE AND PAPER BUILDING  
MATERIALS - EG. CEMENT

(3) INFRASTRUCTURE REQUIREMENTS  
ELECTRICITY DEVELOPMENT  
ROAD CONSTRUCTION ESPECIALLY IN  
AGRICULTURAL AREAS POTABLE WATER  
SUPPLIES

(III) TECHNOLOGY DEVELOPMENT AND TRANSFER

(B) TO FINANCE APPROVED LOCAL RECURRENT COSTS  
ARISING FROM THE ABOVE

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4. TT CONTRIBUTION, TERMS AND CONDITIONS

(I) TO INCLUDE (A) JUNE 1976 AGREEMENT WITH  
JAMAICA, ITS TERMS, QUANTUM AND GUARANTEES  
OF COMMODITY TRADE - EG. MOTOR VEHICLES -

(B) BALANCE OF PAYMENTS AID TO CARIBBEAN SINCE  
1974

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INFO OCT-01 EUR-12 ISO-00 IO-13 SSO-00 NSCE-00 USIE-00  
INRE-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 SS-15 STR-04 CEA-01 L-03  
H-01 PRS-01 PA-01 DODE-00 AGRE-00 PM-05 DHA-02  
/109 W

-----102288 191652Z /46

O 191445Z AUG 77

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC IMMEDIATE 1142

INFO AMEMBASSY GEORGETOWN

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AMEMBASSY LONDON

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(II) PRIORITY FOR TT COMMODITIES AND TRADE  
OVER ALL THIRD COUNTRIES NOT CONTRIBUTORS  
TO CONSORTIUM, SUBJECT TO THE CARICOM  
TREATY

(III) TT CONTRIBUTIONS TO BE PAID LARGELY, ON  
BASIS OF PRESCRIBED GRACE PERIOD, LOW  
INTEREST RATES AND AGREED MATURITIES, IN OIL,  
FERTILIZERS, ASPHALT

(IV) INTEREST PAYMENTS AND REPAYMENT OF  
J PRINCIPAL TO TT PAYABLE, BY AGREEMENT, IN  
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PRESCRIBED AND APPROVED COMMODITIES OF THE  
BENEFICIARY COUNTRIES AT PREVAILING WORLD  
MARKET PRICES

(V) TT CONTRIBUTION NOT TO BE AVAILABLE FOR  
UNVIABLE PRESTIGE PROJECTS - NATIONAL  
AIRLINES, NATIONAL REFINERIES, OFFICIAL  
RESIDENCES AT HOME OR ABOARD

5. SIZE OF FUND, INDIVIDUAL CONTRIBUTIONS, ETC.

A FUND OF US \$800M APPORTIONED AS FOLLOWS:

TT: ALREADY PAID (UNDER 4(I)) US\$100M; FURTHER  
CONTRIBUTION OF US\$100M (OF WHICH 75 PERCENT  
IN ACCORDANCE WITH 4(III))

USA: US\$200M (INCLUDES RESPONSIBILITY UNDER 2(B))

UK: )

FRANCE: )

NETHERLANDS: ) US\$50 M EACH (UNDER 2(B))

CANADA: US\$50M

OTHER MEMBERS OF CDB - US\$200M (UNDER 2(C))  
GRACE PERIODS, INTEREST RATES, MATURITIES TO BE AGREED  
VARYING WITH NATURE OF PROJECT

#### 6. CONTROL OF FUND

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IMF, CURRENTLY INVOLVED IN JAMAICA, TO ACT AS AGENT  
OF THE CONSORTIUM. END TEXT

2. COMMENT AND RECOMMENDATION: PRESS AND RADIO HERE  
RUNNING BRIEF ANNOUNCEMENT BY GOTT THAT CONSORTIUM PROPOSAL  
HAS BEEN TRANSMITTED TO US, BUT NO DETAILS OF IT WERE GIVEN  
TO THE PUBLIC. SPEED WITH WHICH GOTT ACTED ON THIS IS  
NOTEWORTHY. PLAN IS EVIDENTLY RESULT OF A SERIES OF HIGH  
LEVEL GOTT MEETINGS WHICH CONVENED ON AUGUST 12 (DAY  
AMBASSADOR YOUNG DEPARTED) AND CONTINUED THIS  
WEEK.

3. DOCUMENTS REFLECT CONTINUED AMBIGUITY HERE ABOUT  
POSSIBLE ROLE OF VENEZUELA. WILLIAMS' TESTY COMMENTS  
ABOUT "CARIBBEAN BASIS" ARE IN KEEPING WITH HIS LONGSTANDING  
HOSTILITY TOWARDS VENEZUELA AND OTHER LATIN POWERS IN REGION.  
AT SAME TIME, HOWEVER, HIS CONSORTIUM PROPOSAL INCLUDES  
DONOR NATIONS OF CDB, WHICH INCLUDES VENEZUELA.

4. IN ANY CASE, WE HAVE GONE TO SOME LENGTHS IN LAST TWO  
MONTHS TO ENCOURAGE GOTT CONSIDERATION OF A CARIBBEAN  
CONSORTIUM CONCEPT. WE NOW HAVE ITS ANSWER, AND, IT SEEMS  
TO US, THE OPPORTUNITY TO BEGIN TRANSLATING THOUGHTS  
INTO ACTION.

5. WE HOPE THAT INTERESTED AGENCIES IN USG CAN GIVE

PRIORITY CONSIDERATION TO THE GOTT'S PROPOSAL, AND THAT  
A WARM AND ENCOURAGING INTERIM RESPONSE FROM THE  
SECRETARY CAN BE FORTHCOMING AS QUICKLY AS POSSIBLE,  
LEAVING OBVIOUS DIFFICULTIES WE WOULD HAVE ON SPECIFIC  
ISSUES CONTAINED IN THE PROPOSAL FOR LATER CONSIDERATION.

6. EMBASSY WILL PROVIDE ADDITIONAL BACKGROUND ON CERTAIN  
REFERENCES IN THE WILLIAMS LETTER.

FOX

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Enclosure:** n/a  
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**From:** PORT OF SPAIN  
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**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
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**TAGS:** PSDC, EAID, TD, US, XL, (VANCE, CYRUS R), (WILLIAMS, ERIC)  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a9100358-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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